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RUEHSG/AMEMBASSY SANTIAGO 2219
RUEHRI/AMCONSUL RIO DE JANEIRO 8459
RUEHRG/AMCONSUL RECIFE 3896
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RHMFISS/CDR USSOUTHCOM MIAMI FL
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UNCLAS SECTION 01 OF 03 SAO PAULO 000943

SIPDIS

SENSITIVE
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STATE FOR WHA/BSC, INR/IAA, INR/R/AA
STATE PASS USTR FOR KATE DUCKWORTH
NSC FOR TOMASULO
TREASURY FOR JHOEK
USDOC FOR 4332/ITA/MAC/WH/OLAC
USDOC ALSO FOR 3134/USFCS/OIO
DOL FOR ILAB
SOUTHCOM ALSO FOR POLAD
USAID FOR LAC/AA

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TAGS: [PGOV](#) [PINR](#) [BR](#)

SUBJECT: SAO PAULO PSDB LEADERS SEEK MORE NATIONAL INFLUENCE

REF: (A) SAO PAULO 882; (B) SAO PAULO 834

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY

SUMMARY

¶1. (SBU) The new Sao Paulo state directorate of the Social Democracy Party of Brazil (PSDB) is developing a strategy to increase its influence at the national level and to impose party discipline on candidates for elective office. As part of this strategy, the PSDB is focusing on municipal elections in 2008 in order to build a party machine capable of getting out the vote in the 2010 national elections. The large population of Sao Paulo State and the relative success of the PSDB in Sao Paulo and the rest of southern Brazil must provide enough votes to overcome President Lula's Workers' Party's (PT) huge advantage in the populous Northeast for this strategy to work. This plan should make the PSDB a more effective opposition party and improve its chances of regaining the presidency in 2010. End Summary.

¶2. (SBU) Poloff and Political Assistant met with state PSDB officials Rogelio Barchetti and Cesar Gontijo (please protect) on November 14 to discuss internal party politics in the run-up to the November 22-25 PSDB National Congress in Brasilia. Delegates to the party's Sao Paulo State convention in early November chose Federal Deputy Antonio Carlos Mendes Thame as the new PSDB state president on a ticket that included Gontijo as secretary-general and Barchetti, president of the Sao Paulo State Union of City Council Members, as First Secretary. Gontijo and Barchetti, as city council members from the interior of Sao Paulo State, both participated in a 2004 International Visitors' program on governance. (Note: Both Gontijo and Barchetti are strong supporters of Sao Paulo Governor

Jose Serra and expect him to mount a successful campaign for President in 2010.)

STATE PARTY LEADERS WANT MORE NATIONAL INFLUENCE

13. (SBU) The new PSDB Sao Paulo directorate has a plan to prepare the party for the 2010 national and state elections, the officials said. New PSDB State President Mendes Thame and his team are putting in place a strategy to win as many municipal elections as possible in 2008 so as to have a large political structure to support the PSDB's candidates for key posts in 2010. According to Gontijo, mayors are important elements in national elections because they are closer to the voters and have considerable influence over them. Therefore the party wants to have candidates in all cities, and wants the local members of the party to support those candidates. Gontijo is relying on "party fidelity" to convince the party to have as many candidates as possible.

14. (SBU) According to Gontijo, PSDB votes in Sao Paulo - Brazil's most populous state - could help offset Lula and the PT's popularity in the Northeast and be the deciding factor in the 2010 Presidential elections regardless of who runs from the PT. The PSDB currently holds the mayor's office in 212 of Sao Paulo State's 645 municipalities, and has 1195 city council members "vereadores". Increasing these numbers would give the PSDB greater political sway over voters in the 2010 presidential elections. "Tucanos" - as PSDB members are called, after their party's symbol, the toucan - also run Sao Paulo, the world's fifth largest city with a population of 11 million and a budget of more than USD 10 billion, through Mayor Gilberto Kassab of the Democratic Party (DEM), which is closely

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allied with the PSDB. (Note: Kassab was elected vice mayor in 2004 on a ticket with PSDB former Health Minister Jos Serra and succeeded Serra when the latter resigned in March 2006 to run for governor. In addition, most of Serra's PSDB team remains in key position in city hall (see ref A). End Note.) In addition, it was in Sao Paulo that PSDB former Governor Geraldo Alckmin scored his best electoral performance in a losing struggle against President Lula's re-election last year. (Note: Though the PT was founded in Sao Paulo with a strong following among industrial workers, the majority of Sao Paulo voters historically have strongly opposed the PT. The exception was Lula's first election as president in 2002. End Note.)

PARTY FIDELITY AND PARTY DISCIPLINE

15. (U) "Party fidelity" has been a major challenge to Brazilian politics since the 1985 restoration of democracy. Politicians have promiscuously "jumped" from one party to another without suffering adverse consequences, and attempts to strengthen political parties and eliminate small parties with no reason to exist have been unavailing. All this appears to be changing as a result of an October ruling of the Superior Electoral Tribunal (TSE), which states that electoral mandates, even where individuals are elected by majority vote and not by a proportional party vote, belong not to the elected officials but to the party. Henceforth, there will be consequences for officials who, elected under one party's banner, subsequently switch to another party. These consequences include the possibility of forfeiture of the elective office. Consequently, a reduction of party-jumping among newly elected mayors, city council members, and federal and state deputies is expected. The PSDB is counting on the new rule to give the party hierarchy increased leverage over its elected officials.

16. (SBU) As part of the Sao Paulo Tucanos' desire to instill party discipline and improve the PSDB as an opposition voice to the PT governing coalition, during the recent PSDB National Congress the Sao Paulo Tucanos attempted to obtain seats on the DN and the National Executive Committee commensurate with their state's importance. While they did not succeed in increasing the overall Sao Paulo composition of the DN and National Executive Committee,

they did succeed in placing like-minded party members on the two committees. In fact, Gontijo and Barchetti were both placed on the National Directorate (DN) and believe they will be able to create the necessary environment for the PSDB to become a more effective opposition party. Overall, the PSDB Congress successfully renewed its DN for Congress as well as its political program, both key steps for the PSDB in rationalizing its internal politics and becoming a more effective political party.

AVOIDING REPETITION OF PAST EMBARRASMENTS

¶7. (SBU) The PSDB picked Senator Sergio Guerra of Pernambuco as its next national president, and several lesser leadership positions went to Sao Paulo representatives such as Gontijo and Barchetti. Gontijo highlighted a general dissatisfaction with the PSDB's current national president, Senator Tasso Jereissati of Ceara. Many Tucanos accuse Jereissati, who took over as party president in 2005, of exercising no leadership. Worse, he is accused of sometimes putting his own political interests ahead of his party's. During the 2006 elections, for instance, Jereissati supported a Socialist, Ciro Gomes, for Governor of Ceara instead of the PSDB's own candidate.

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¶8. (SBU) Gontijo adds that Jereissati's case in Ceara was not the only example of bad practices within the party. On a number of occasions, PSDB elected officials supported candidacies from outside the PSDB, often from the PSDB's main political opponent, the PT, or from another party in President Lula's governing coalition. In Bahia, the local PSDB helped to elect Governor Jacques Wagner, a PT leader who served Lula as Minister for Political Coordination. The agreement in Bahia was signed and implemented by the PSDB leader in the Chamber of Deputies, Federal Deputy Jutahy Magalhaes Junior. In Rio de Janeiro State, Federal Deputy Eduardo Paes, also a newly established PSDB leader, worked to elect Sergio Cabral of the Brazilian Democratic Movement Party (PMDB) as governor. Paes subsequently abandoned the PSDB and joined the PMDB in the hopes of becoming that party's choice to run in 2008 for mayor of the City of Rio de Janeiro.

¶9. (SBU) The PSDB Sao Paulo leaders want to avoid cases like these in the future. Barchetti and Gontijo consider this sort of free-lancing disastrous for the party and its image, and aim to have all PSDB policies and candidacies decided by the National Directorate. They also want to have a clear and concrete political and governing program upon which the PSDB's candidates can run. As Gontijo explained, future candidates need clear political guidance, and the party needs to speak with a single voice on such polemical themes as privatization and Bolsa Familia, the Lula administration's welfare program for the poor that is hugely popular among its recipients. Bolsa Familia, Gontijo said in passing, is a large complicating factor in next year's municipal elections because the PT has attracted new voters by softening the eligibility conditions for what many see as Lula's signature initiative.

COMMENT

¶10. (SBU) The PSDB has disappointed many followers and earned the scorn of some pundits (ref B) over its weak performance in providing meaningful opposition to the Lula government. For example, during the second round of the 2006 presidential elections, no one in the PSDB defended the privatizations carried out by Fernando Henrique Cardoso's (FHC) administration when Lula attacked them with populist rhetoric. Another perennial PSDB problem is a public perception of elitism, which makes it difficult for the party to attract voters outside certain strongholds, and makes it especially difficult for the party in the poor and populous Northeast. It is clear that the party needs to transform itself in order to mount a serious challenge to the PT and the governing coalition. However, whether Barchetti and Gontijo will be able to implement some of their plans and succeed in bringing order and discipline to the PSDB is still an

open question. End Comment.

11. (U) This cable was cleared by Embassy Brasilia.

WHITE